

THE NEW YORK TIMES
23 NOVEMBER 1982

ARTICLE APPEARED
ON PAGE A28

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New Concern Sells Intelligence to Go

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Special to The New York Times

WASHINGTON, Nov. 22 — First they contacted Edward Heath, the former Prime Minister of Britain, and persuaded him to serve on the board.

Then they called Robert S. McNamara, the former president of the World Bank and Secretary of Defense, and got him to sign up, too.

A former finance minister of Colombia and a former trade minister of France also became involved, along with a handful of foreign correspondents. They chose as the leader a former senior executive for the Central Intelligence Agency.

Gradually, on the eighth floor of a pricey office building just across the street from National Airport, Washington's newest private intelligence network has begun to take shape. Held together in the modern way by 16-bit processors, printed circuit boards and printer interfaces, it is the latest monument to the ancient proposition that increasingly animates Washington and the world beyond: Knowledge is power.

The network is known as IRIS, which is capital-speak for International Reporting Information Systems. But its work is somewhat less glamorous than that undertaken by some of Washington's other intelligence agencies. There are no spies, no

clandestine activities and there is hardly a trench coat in the closet.

It is, simply, a private information company, the product being such items of esoterica as the foreign debt burden of Bolivia, the unemployment rate in the Ivory Coast, interest rates in the Philippines and an assessment of the political stability of Zaire.

By next spring this service hopes to have 40 full-time correspondents deployed to complement the more than 200 analytical and technical personnel in its base office.

Rainfall Trends for Tree People

"Our correspondents are like journalists," said Brian Atwood, the vice president for information and analysis, a former Foreign Service and State Department official. "They're accredited abroad, they do the sort of things journalists do. But what they're reporting is sent to analysts, and the product is analytical, not straight reporting."

When in full operation, it will be in a position to keep paper and lumber companies informed on rainfall trends, to relay information on developments in Japan to high-technology companies and to provide insights on the changing habits of third-world consumers to manufacturing companies. One company, a potential client,

has already told the group that it wants to be informed of any aircraft sale anywhere in the world.

The market for such information is, to be sure, limited, particularly at a price of \$100,000 a year for corporate clients and \$500,000 for Government clients. The group hopes to have more than 60 companies and nearly a dozen government entities signed on by the end of 1984 but, so far, only a half-dozen companies, and no governments, have become clients.

"This is a specialized audience, the Fortune 500 crowd," said Barry Kelly, the former Foreign Service and Central Intelligence official who is president and chief executive officer of the group. "They're the only organizations that can afford us, that have worldwide interests and that can take advantage of new big opportunities."

Privacy for Its Clients

The group has offered to protect the identity of its clients and will provide systems to guarantee the confidentiality of its clients' information. Its leader says that it will obey the laws of the countries where it will operate.

The network's investors include European banking, insurance and finance groups. It is now owned by a Dutch holding company but was begun by Anthony Stout, the chairman of Government Research Corporation, which publishes National Journal, a respected Washington weekly.

Mr. Stout acted as managing director on an interim basis, but has left day-to-day management. He remains vice chairman of the holding company as well as a minority stockholder and now is involved in court action to clarify whether the new organization will be permitted to provide clients with information about North America, which Mr. Stout considers "my turf."

"It was my concept in getting it going," said Mr. Stout, "and I certainly wasn't going to create something that would compete with me."